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However, we also subscribe to the comment of an aging hippie from Marin County: "In order to go from what was to what will be, you have to go through what is."

In the world of what is, spectrum scarcity remains a fact of life.

A quick glance at the real world will confirm this resoundingly. After the 1996 Telecommunications "Reform" Act mandated allocation of most radio station stations by auction, while simultaneously removing previous restrictions on out-of-town ownership and corporate acquisitions, the cost of obtaining a conventional radio station license skyrocketed from hundreds of thousands of dollars to millions of dollars.

As most of us learned in high school, skyrocketing prices signal a shortage -- not an abundant supply.

Further, the doubling and tripling and quadurupling of radio station prices did nothing to increase the number of frequencies on the radio dial. When a resource does not expand at any price, most people would tend to conclude that the resource is rather scarce.

To put it in terms that an economist might prefer:
"A supply elasticity of zero indicates a fixed and finite resource."

See? We can "talk the talk". We just prefer English.

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As for the argument that competition from other industries is enough to offset the extreme concentration of ownership in the current radio industry, we ask the Commission to consider the airline industry.

Some comparisons can be drawn.

Airlines face competition from trains, buses and private vehicles. Radio faces competition from broadcast TV, cable TV, movies and even "real audio" on the Internet.

Yet airlines are the only real choice in their single largest market: people who want or need to travel more than 500 miles in a day. Radio retains similar control, challenged only peripherally by CBs and miniature TV sets, over its single largest market: drivers.

The <u>real world experience</u> with full airline deregulation can tell us about the impact of further radio deregulation.

It tells us that deregulation will <u>not</u> foster a long term increase in internal industry competition. It confirms that <u>unregulated</u> capitalism, in <u>most</u> industries, has an inherent tendency toward oligopolies (or even monopolies)

-- which is why Congress once enacted the anti-trust laws that are now so rarely enforced. <u>Total</u> airline deregulation has etched the same pattern as <u>partial</u> radio deregulation: oligopoly control of major markets and virtual <u>abandonment</u> of smaller markets.

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The real world experience with airline deregulation also provides yet another demonstration that corporations cannot be counted upon to "internalize" those values which are important to society but not necessary and/or desirable for the purpose of making short term profits. (Long term profits may well depend on a stable and contented society, but modern capitalists, in part as a reaction to the wave of hostile corporate takeovers since 1981, rarely seem to think past their stock prices in the next fiscal quarter.)

Specifically, airline deregulation has raised air fares (sometimes drastically!) for people not travelling between New York and Los Angeles (or other pairings of the nation's 10 to 15 largest cities). Also, through expanded use of "hub" airports and the related proliferation of connecting flights, airline deregulation has lengthened travel times (sometimes drastically!) for passengers not travelling between the largest cities. In smaller cities -- from Stockton, California to New Haven, Connecticut -- airline deregulation has turned airports into virtual ghost towns, served only (if at all) by "commuter airlines" with crash rates 5 to 10 times those of the airlines they have replaced. Safety and convenience are highly valued by airline customers, but customers had more of both when regulators were overseeing the supposedly more "efficient" corporations.

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(B) The evidence indicates clearly that spectrum scarcity remains a fact of radio industry life. Only those more grounded in theory than reality can claim with a straight face that spectrum abundance prevails.

In addition, however, we stress that an assertion of spectrum abundance is a two-edged sword. We are hardly the first to notice this, but we want to make sure that the point is placed squarely, clearly and <u>firmly</u> on the official record of these proceedings.

Specifically, we have seen the National Association of Broadcasters portray us -- and other microbroadcasting advocates -- as purveyors of interference and "anarchy" in a spectrum too crowded to have room for newcomers.

Yet, in other contexts, we know that the NAB has argued against public interest obligations, and other regulatory mandates, by asserting that spectrum abundance is at hand.

This NAB "doublethink" is an open secret in Washington
-- and it is starting to become common knowledge in the
national and international microbroadcasting communities.

It is time for the Commission -- if only for the sake of its own reputation! -- to tell the NAB to end this little game. The mutually contradictory assertions are an insult to the Commission's intelligence -- and, if accepted, a potential embarrassment to the Commission.

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As for viewpoints on "our side of the fence", the two-edged sword remains a two-edged sword.

Specifically, we understand that some microbroadcasting advocates are citing spectrum abundance as grounds for semi-deregulation of microstations, including automatic self-licensing (via simple registration with the FCC). In effect, they are applying the NAB's assertion of spectrum abundance to their own area of self-interest.

Again, however, the sword cuts both ways. If the spectrum abundance argument can be applied to the microbroadcasters' area of self-interest, it can also be applied to the NAB's area of self-interest. If radio frequencies are so abundant that FCC allocation of microstation licenses is unnecessary, then how can the FCC justify restrictions on micromarket entry that protect microstations from being acquired -- and/or driven into bankruptcy -- by larger institutions?

Just as in most of life, there is a tradeoff between freedom and security. Those who want total freedom from government oversight must also be willing to accept the total absence of government protection.

For ourselves, we are willing to accept a reasonable balance: individual and societal freedom -- tempered by law, civilization, responsibility and accountability.

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Therefore, we ask the Commission to <u>clearly disassociate</u>
<u>us</u> from any comments, by other microbroadcasting advocates,
that assert spectrum abundance and/or advocate more or less
total deregulation of the airwaves.

We cannot speak for other parties, of course, but we note that two other major Petitions -- RM-9242 (submitted by Rodger Skinner) and the Community Radio Coalition -- clearly assume spectrum scarcity and structure microbroadcasting re-legalization in ways that take spectrum scarcity into account.

We believe the same can be said of our own proposal: RM-9208.

2. We note for the record a point that is currently academic and may well remain so:

If necessary, FCC regulation of radio "speech"

(such as program content) can be distinguished from

FCC regulation of radio <u>business</u> activity (such as mergers and acquisitions). Regardless of whether or not spectrum scarcity justifies some regulation of radio "speech"

-- for example, a minimum percentage of community-oriented programming -- the regulation of radio business activity can be grounded securely in the Commerce Clause of the U.S.

Constitution. Ever since FDR, the U.S. Supreme Court has repeatedly upheld the power to regulate interstate commerce.

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The Commerce Clause has been used to justify regulation of business activity without regard to the level of resource scarcity or abundance. The laws of physics limit the number of radio frequencies (at least with current technologies), but there is no fixed physical and/or economic limitation on the number of airplanes that can be built or the number of commercial banks that can be chartered. Still, the airline industry was regulated for decades, and the commercial banking industry is still somewhat regulated, under Commerce Clause authority that is basically invincible unless it slides into uncompensated expropriation.

The Commerce Clause is also quite flexible. It has been stretched to cover collective bargaining, worker safety, national security and animal welfare. When the Civil Rights Act of 1964 was upheld by the U.S. Supreme Court, the Act was found Constitutional under the Commerce Clause. The Court found that racial discrimination in restaurants and hotels had been discouraging American blacks from travelling and had therefore been slowing down economic growth.

If Commerce Clause authority is this broad and flexible, it can surely be used to regulate radio business activity.

Our proposal regulates <u>only</u> business activity -- <u>not</u> program content -- and roots its Constitutional claims in "equal protection of the laws", not "freedom of speech".

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Therefore, although we believe strongly that assertions of spectrum abundance are a dangerous fantasy, RM-9208 will remain legally viable -- if not Constitutionally compelling -- regardless of what the Commission finally concludes about the issue of spectrum scarcity.

(f) Since we have expressed so strongly our conclusion that the radio frequency spectrum is <u>not</u> abundant (at least at present), it is fair to ask where the FCC could find the frequencies for licensing of microstations.

This concern is particularly important because the number of potential microbroadcasters now looks larger than we estimated when we crafted our original Petition. In that Petition, we advocated reserving one FM frequency and one AM frequency -- in each applicable broadcast coverage area -- for 1 watt microstations.

Due to massive feedback from the microbroadcasting community, and other new evidence, we have concluded that:

o A second Tier of microstations, with double digit wattage, is needed (for reasons set forth later);

And

o At least one FM and AM frequency should be reserved for each of the Two Tiers. (Since the Tier Two stations have much larger broadcast coverage areas, the Tier One stations will be much more numerous.)

The proposed Two Tiered System for microstations is discussed in the penultimate Section of these Reply Comments.

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As for the question of <u>accommodating</u> all of these microstations on the radio spectrum, we urge the Commission to consider these 8 points:

1. Although <u>overall</u> spectrum scarcity prevails, for the nation as a whole, there is ample room on the spectrum in certain geographical areas. Most of these areas are rural, in the desert or in and around small towns and cities.

In these areas, there is generally <u>more</u> room on the spectrum than there was two years ago. After the wars of conquest and brutal "downsizings" -- aka "industry consolidation" -- that followed the Telecommunications "Reform" Act of 1996, large broadcasting concerns generally followed the course charted earlier by deregulated airlines. Like the airlines, they largely withdrew from rural areas and small cities -- with their smaller, though often more secure, profit margins -- in order to pursue dreams of fiscal sugarplums in the largest metropolitan areas.

Today, the only "local" radio station in many communities is a translator that broadcasts from dozens, or even hundreds, of miles away. Other communities have no local radio station at all.

Much of the nation falls within what we call "dead zones": areas where clear radio signals, and especially

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clear signals from <u>local</u> radio stations, dwindle down to a handful of choices.

Such "dead zones" can even be found, just beyond the outskirts of metropolitan areas, in States that are densely populated. Consider the BosWash Corridor (Boston to Washington), where nearly a fifth of America's 260 million people are crammed into a strip that is 500 miles long and perhaps, on average, 50 miles wide. Driving on I-95 from Fredericksburg, Virginia (currently the Southern anchor of BosWash) to Portsmouth, New Hampshire (the current Northern anchor), you will encounter two "dead zones" of significant size: from Aberdeen, Maryland to the Delaware line (almost 30 miles) and from Groton, Connecticut to the Rhode Island line (again, about 30 miles).

In the SanSan Corridor (San Diego to San Francisco), there are "dead zones" between Santa Barbara and Carmel. Yet this strip of coastal land, running roughly 500 miles from the Mexican border to Marin County, and averaging perhaps 30 miles wide, is home to almost one tenth of the U.S. population.

In short: Many areas of the United States have a shortage of clear radio signals -- not a shortage of spectrum. These pockets of signal scarcity are so common they can even be found on the doorsteps of crowded cities.

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Frankly, given the low priority that NAB members assign to non-metropolitan markets, we are surprised that the NAB has not offered to support microbroadcasting re-legalization in all areas where clear signals fill less than two thirds of the spectrum. Had Don Schellhardt, who spent 12 years as a Government Relations attorney and executive with the American Gas Association, been working for the NAB this year, he would have suggested this ploy as an opening gambit. He would have seen it as a way to reduce the political pressure for major change, and possibly divide rural, small town and small city microbroadcasters from metropolitan microbroadcasters, without surrending any of the territory that NAB members appear to truly value.

In any case, non-metropolitan areas cover most of the U.S. land area and perhaps a third of the U.S. population.

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Large broadcasting companies may not care much about this territory -- but microbroadcasters do. And there is room here for legions of them.

2. Of course, we <u>also</u> assert there is a need for microstations <u>within</u> the large metropolitan areas. From the standpoint of news coverage by megacorporate radio stations, Lincoln Park in Chicago or Harlem in Manhattan might as well be Hartsgrove, Ohio or Rock Spring, Wyoming.

News about Hartsgrove does not register on the radar screen of a megacorporate satellite in Cleveland. Similarly, neighborhood news about Lincoln Park or Harlem -- including even "life or death" news, such as recruitment for Neighborhood Watch -- is lost in "the background clutter" of programming aimed at the metropolitan area as a whole.

Is there <u>room</u> for microradio within metropolitan areas?

There is <u>much</u> less room for microradio here than there is outside such areas -- but there <u>are</u> some "holes in the spectrum" if you go looking for them.

Don Schellhardt went looking for them recently. He did so in the "real world" of Connecticut: for now, his State of residence. Since Connecticut has the fourth highest population density of any State in the Union, Don reasoned that finding "holes" in the Nutmeg State would be a promising indicator of opportunities elsewhere.

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Beginning his unscientific but <u>replicatable</u> survey,

Don headed for the home of Margaret "Penny" Leyden: a close

friend in Fairfield County. The specific location was in

the <u>Town</u> of Fairfield, roughly one mile southeast of the

intersection of Black Rock Turnpike with the Merritt Parkway.

If any area (short of the downtown of a "World Class City") is likely to have a crowded spectrum, that area is Fairfield County. For one thing, it is the most populated and the most densely populated -- County in Connecticut (although this high population density has generally been achieved without destroying the County's stunning natural beauty). For another, Fairfield County lies within broadcast coverage range of radio stations in Bridgeport, New Haven, Hartford, Westchester County (New York), Long Island and New York City. Finally, as home for both numerous Fortune 500 companies and individuals commuting to professional jobs in and around New York City, Fairfield County has one of the highest per capita incomes in the country. There are vast pools of disposable dollars that must call like sirens to advertising executives.

Yet, running through the FM spectrum at 4:00 p.m. (well before sunset) on a Sunday afternoon, moving the car radio dial from 100.5 to 100.7 to 100.9 and so on,

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Don found 12 "holes" in the Fairfield County spectrum.

Two slots on the dial were completely open -- and another

10 were so affected by static that the transmission itself

was difficult or impossible to hear. At least half of the

garbled signals could be identified as out-of-state stations,

based in New York City (50 miles away) or on Long Island

(15 to 30 miles away, depending on the specific location).

Some of the clear signals were also identifiable as stations

in New York State, although these stations were apparently

not stretching past the limits of their broadcasting reach.

We certainly do <u>not</u> want all radio programming to be local. We want to increase coverage of, <u>and</u> participation by, local communities: we do <u>not</u> want to disconnect local communities from the outside world. However, given the current pervasiveness of <u>non-local</u> programming, does it not make sense to displace a garbled signal from New York City with a <u>clear</u> signal from a microbroadcaster based right in the Town of Fairfield? Does it not even make sense to shave a few of the clear signals from New York City, reducing their radio reach from 50 miles to 45 miles or even 35 miles, in order to make room for stations that are based in Fairfield County and care about Fairfield County?

On the following Sunday afternoon, again at 4:00 p.m., Don started to count "holes" in the spectrum at Waterbury,

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Connecticut: the city in which he resides at present.

Those who wish to replicate this stage of his project may proceed to park outside the apartment of Shirley Steiskal, another one of Don's friends. The location is near the East End junction of Frost Road and East Main Street, on the Naugatuck Valley floor and two miles from the Green.

Waterbury is not Fairfield County. Fairfield County's population is generally white collar, highly educated and prosperous. Waterbury's population is largely blue collar, educated through high school, struggling to make ends meet and full of displaced factory workers feverishly re-training for new jobs in computer technology, health care services, clerical work or "specialty" (niche market) manufacturing. Fairfield County has roughly 800,000 people, bordered on the north and west by other affluent areas -- and bordered on the southwest by the city-sized "inner suburbs" of New York City. The Waterbury area has roughly 200,000 people, half in the City itself and the others spread over three prosperous suburbs and and four predominantly blue collar communities. To the north and west, the Waterbury area fades into countryside: to the south and east, it blends into the outer suburbs of New Haven and Hartford, respectively. Virtually all of the area's radio programming originates within the State, but only a small

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fraction of the clearly audible stations are based in the Waterbury area. At least 4 out of 5 <u>clear</u> signals originate in New Haven (15 miles away), metropolitan Hartford (20 to 30 miles away), Bridgeport (30 miles away) or -- in two cases -- the Springfield area of Western Massachusetts (60 to 70 miles away). Even the <u>closest</u> of the out-of-town stations rarely cover news or community issues in Waterbury.

We believe that the situation in Waterbury is a cross between the situation in Fairfield County and the situation in rural Nebraska. To put it another way: Waterbury's situation is probably fairly close to average for America as a whole -- and America's small cities in particular.

With this in mind, we place special emphasis on the finding that there were 73 "holes" in the Waterbury area spectrum. This compares to the 12 "holes" found in Fairfield County. There was a departure from the Fairfield County pattern in another respect as well: while all of the Fairfield County static appeared to result from fading signal range, 11 of the 73 Waterbury "holes" were the result of a "bleeding" signal from a neighboring slot on the dial. In 7 cases, a signal spilled over into one adjoining channel: in two cases, a signal "bled" into both adjoining channels.

We add with relish that <u>none</u> of the "bleeding" stations were microstations. All were licensed, established concerns.

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In any case, the Fairfield County results raise the question of whether a local microbroadcaster should be denied a license in order to leave room for a fading, garbled signal from a station 40 or 50 miles away. The Waterbury area results raise the same question, but they raise another one as well: Should a local microbroadcaster be denied a license in order to leave room for a single "bleeding" signal to take up two or three slots on the dial?

Again, we admit that our survey is unscientific (and based on a very small sample of data) -- but the survey is empirical and it can be replicated. After reading so many assertions about spectrum scarcity or abundance, based on nothing but someone's economic theories, we thought it was time for somebody to go out and count the "holes".

"Hole" counting in Connecticut -- the nation's fourth most densely populated State -- strongly suggests there is room for a robust (although not unlimited) microradio presence on FM outside of the large metropolitan areas.

Within large metropolitan areas, there is room for a smaller number of FM microstations, but homes for them must be sculpted with surgical precision. The number of metropolitan microstations will depend largely on whether the Commission:

(A) allows large station signals to be displaced at their fringes; and/or (B) keeps microstation wattage reasonable.

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3. The Commission can add more "elbow room" by adopting our recommendation to open up the \underline{AM} spectrum, as well as the FM spectrum, to microradio.

In both the Waterbury <u>and</u> Fairfield County samplings, the daytime AM spectrum was largely unoccupied. To the best of our knowledge, ours is the only Petition so far that opens the AM frontier to microradio homesteading.

We are aware that FM has more "glamour" in the eyes of many -- and offers a huge inherent advantage for those who wish to broadcast around the clock. At the same time, however, many microbroadcasters will want to -- and/or need to -- operate part-time. For these microbroadcasters, especially if they are located in large metropolitan areas, AM may not be their first choice but it could turn out to be a comfortable fit.

Also, of course, part-timers on AM would be making a major contribution to the microradio movement -- by making more room, overall, for microbroadcasters as a group.

4. Needless to say, in order to create direct opportunities for part-time AM broadcasters -- plus "opportunities through displacement" for all kinds of FM broadcasters -- it will be necessary for the Commission to allow part-timers and to set for them minimum hours of operation which are well below "24/7".

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For this reason, despite our respect for members of the Community Radio Coalition, we must strongly disagree with their proposed policy of licensing only full-time microstations (24 hours a day, 7 days a week).

For ourselves, we would define "full-time" in order to leave a little slack for the "humanbeingness" of the microstation owners and/or operators. We suggest defining "full-time" as 135 hours a week (80% of available hours), leaving 33 hours a week as a margin to be used when and if it is needed. These 33 hours per week would allow, if desired, an average of more than 4 hours of downtime during off-peak hours (such as 2:00 a.m. to 6:00 a.m.). Alternatively, the 33 hours would easily provide one "Day of Rest" each week -- which is not a peripheral issue for Orthodox Jews, or Seventh Day Adventists, or spouses and children.

We suggest 28 hours per week -- that is, 17% of available hours, or an average of 4 hours per day -- as the minimum hours of operation for a part-time microbroadcaster.

This definition of "part-time" is: (A) demanding enough to require affected microbroadcasters to make a solid commitment and "hustle" at times for news and/or features; yet (B) flexible enough to allow up to 6 stations to share a single frequency.

5. In our March 4, 1998 Written Comments, we tentatively recommended that voluntary time sharing agreements be allowed.

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We now wish to make that tentative proposal a firm one.

We must also acknowledge the contribution of Frieda Werden of the Women's International News Group Service (WINGS) in Austin. Ms. Werden has advocated mandatory time sharing:

if we understand her correctly, she proposes determining the total amount of spectrum available for microstations (in a given area) and then dividing it by the number of eligible applicants.

We respect Ms. Werden greatly -- but we have parted company with her when it comes to <u>mandatory</u> time sharing. For one thing, we do not wish to prevent parties who <u>can</u> operate full-time from doing so. Nor do we wish to impose an operational straitjacket on the part-timers: we believe that it is <u>generally</u> best for the part-timers to negotiate with each other, although the Commission could certainly offer its services as a "sounding board" or mediator (<u>if</u> the Commission has the resources). Finally, we are concerned that <u>mandatory</u> time sharing might cut the slices of airtime so thin that <u>no</u> microstation, in an area with a crowded spectrum, could earn the advertising dollars to survive.

Of course, Ms. Werden has a different starting point from us. She advocates, and her proposal appears to assume, a totally "non-profit, non-commercial" micromarket where all stations are basically arms of the community -- competing to demonstrate who can best serve the community, and therefore

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deserves the largest subsidies from the community, instead of competing to demonstrate who can bring in the most customers for the Mom and Pop grocery store on Main Street. In her world, if we understand it correctly, all microstations could survive because all microstations would be subsidized (monetarily and/or through "in kind" contributions) by the community. We, however, see ourselves as "enlightened capitalists": we want to allow non-profit microstations -- as well as "non-profit AND non-commercial" microstations -- but we want to allow profit-making microstations, too. From our starting point, we must be concerned with advertising revenues -- just as Frieda Werden, from her perspective, must be concerned with fund raising.

In any case, Frieda Werden's proposal prompted us to come up with the idea of <u>voluntary</u> time sharing. Time sharing, as a necessary complement to the Commission's authorization of part-time microstations, could literally <u>multiply</u> microbroadcasting opportunities.

To assure that no microstation frequency "lies fallow" for too much of the time, we recommend that the Commission -- while allowing and encouraging multi-party license applications -- should withhold <u>final</u> approval to broadcast until the minimum hours of all joint applicants <u>combined</u> equal 5 times the mandatory minimum for a single part-time station.

CHART I: THE BUILT-IN TRADEOFF OF STATION SIZE VS. NUMBER OF MICROSTATIONS

The areas of broadcast coverage, set forth below, are derived by using the classic formula for computing the area of a circle: pi (that is, 3.14) times the radius squared.

The power ceilings indicated below are drawn from RM-9208; Reply Comments of the RM-9208 Petitioners (which recommend a Two Tier system); and RM-9242 (the Skinner Petition).

Other proposed power ceilings appear in the Community Radio Coalition Petition (250 watts) and the proposal of the Committee for Democratic Communications (50 watts urban, 100 watts rural).

	Signal	Broadcast Coverage	EQUAL TO This Many Stations:	
	Range (Miles)	Area (Sq. Miles)	<u>1 w</u>	T.Two
RM-9208 Petition (1 watt/50 foot tower)	.60	1.13	1.00	
TIER TWO of Above Petitioners' 5/7/98 Policy Recommendation (5-mile signal range)	5.00	78.50	69.50	1.00
RM-9242 Maximum Power Level (3,000 watts/ 328 foot tower)	15.00	706.50	625.22	9.00

THIS CHART PREPARED BY
The RM-9208 Petitioners:

Don Schellhardt Nick Leggett Judith Fielder Leggett

May 7, 1998

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We note that the minimum hours of operation we recommend are designed with FM microstations in mind. Presumably, <u>lower</u> minimum hours of operation will be needed for AM microstations.

6. On the preceding page, we have set forth a Chart which illustrates the crucial relationship between the size of broadcast coverage areas and the number of microstations which can be accommodated on the spectrum. To make the most extreme comparison, a station with the maximum power allowed under RM-9242 (the Skinner Petition) would cover the same number of square miles as over 600 microstations transmitting at 1 watt (with 50 foot towers).

we have received considerable criticism -- constructive and otherwise -- for proposing 1 watt microstations in our Petition. Some of this criticism has merit, for which reason we are proposing a Second Tier of licensing for stations with a transmission radius of up to 5 miles. We have been persuaded that: (A) those who want to make a living from microradio need more advertising revenue than a station with single digit wattage is likely to provide; (B) as a practical matter, most of the current microbroadcasters will not seek licenses (and, with them, regulation) unless they are allowed to operate at double digit wattage; and (C) in addition to neighborhood stations, there is a need for stations which are large enough to cover municipalities but not oriented toward entire metroplitan areas.

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Nevertheless, society pays a huge "opportunity cost" for each double digit wattage station that is licensed. That opportunity cost is the displacement of potential microstations which might otherwise use the same frequency to collectively cover dozens of different neighborhoods. With a signal range of the scale proposed by Rodger Skinner in RM-9242, society's opportunity cost could be hundreds of neighborhood stations.

If financial viability is the crowning virtue of stations with double digit wattage, diversity is the crowning virtue of stations with single digit wattage. Such microstations are open to virtually all comers because they can offer radically minimal requirements for spectrum access, radically minimal startup costs, radically minimal operating costs and -- if the FCC agrees -- radically minimal costs of regulatory compliance due to a radically minimal potential for interference.

Along with all of these attributes, of course, comes the likelihood of radically minimal <u>income</u>.

Thus arises the same question, rooted in spectrum scarcity in the major metropolitan areas, that we and Frieda Werden addressed -- in different ways -- on the time sharing issue:

When you have a banquet that draws more guests than you can feed, what do you do? Do you turn away some of the guests at the door? Or do you admit all of the guests -- and feed each of them table scraps?

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We doubt that there is a flawless solution to this dilemma.

Our own solution is based on the realization that not all of the guests have the same <u>tastes</u>. Some are lean, lanky vegetarians while others are robust and hearty beefeaters.

The guests can be subdivided endlessly, of course -until they are finally broken down into groups of one. However,
for purposes of resolving (or, rather, <u>easing</u>) the basic problem,
it may be enough to know -- as a starting point -- that
beef can be saved for the beefeaters and rice plus soybeans
offered to the vegetarians.

Thus, we have developed the Two Tiered System described in the next-to-last Section of these Reply Comments.

Tier One is "the vegetarians' table": microstations with a maximum transmission radius of one mile (higher in areas with low human population density). This is a moderate variation from the 1-watt power ceiling, expanding a typical broadcast coverage area from 1.13 square miles to 3.14 square miles.

We speculate that a 2-mile circle will cover many neighborhoods that a 1-watt, 1-mile circle would not.

As we indicated earlier, we suspect that Tier One will attract relatively few of the country's <u>current</u> (unlicensed) microbroadcasters. However, we expect it will attract many <u>prospective</u> microbroadcasters -- who have not already become accustomed to transmitting at 20 to 100 watts.